

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
MARCH 11, 2004**

Note: Copies of this recorded meeting on cassette tape can be obtained from Karen Fleming, NDEP, 333 W. Nye Lane, Room 206, Carson City, Nevada 89706-0851 or by calling (775) 687-9367.

CALL TO ORDER

Mr. John Haycock, Chairman, called the meeting to order at 10:00 a.m. The meeting was videoconferenced at the Legislative Council Bureau, State Legislative Building (Room 2134), 401 South Carson Street and the Legislative Counsel Bureau in the Grant Sawyer Building (Room 4406) 555 Washington Street, Las Vegas, Nevada.

BOARD MEMBERS PRESENT

Mr. Allen Biaggi, Ms. Linda Bowman, Mr. Mike Miller, Ms. Karen Winchell, Mr. John Haycock (Chairman), Ms. Joanne Blystone

STAFF PRESENT

Mr. Gil Cerruti, Mr. Hayden Bridwell and Ms. Karen Fleming from the Petroleum Fund; Ms. Keli Stoeffler, Administrative Assistant III (Bureau of Corrective Actions), Mr. Bill Frey (Legal Representative to the Board of the Attorney General's Office), Mr. Bob Stulac (Leaking Underground Storage Tank Branch), Mr. Quint Aninao (Corrective Actions Supervisor), Mr. John Walker (Environmental Commission), Mr. Jim Najima (Bureau Chief from NDEP in Carson City), Ms. Sarah Piper and Ms. Chris Andres (Las Vegas NDEP).

APPROVAL OF THE AGENDA

Mr. Cerruti introduced NDEP staff in attendance. Mr. Cerruti then announced that there would be one change to the Agenda: Under Item V, Old Cases, Number 24, WSR, Inc., should be noted as a non-consent item. Mr. Cerruti reminded the Board that the Petroleum Fund is currently in the process of changing the Petroleum Fund case numbers due to changes in the computer software. He announced there were handouts, both here and in Las Vegas, regarding this fact. He reported that all claimants and their consultants are being notified of the new case number format. Mr. Cerruti stated that newer case numbers are brought up-to-date and are now appearing labeled year 2004. He requested that individuals contact him regarding any questions relating to the new numbering system.

Mr. Allen Biaggi moved to approve the Agenda as amended. The motion was seconded. Motion carried unanimously.

APPROVAL OF THE DECEMBER 11, 2003 MINUTES

Joanne Blystone moved to approve the Minutes. Mike Miller seconded the Motion. Motion carried unanimously.

STATUS OF FUND STATEMENT

Mr. Cerruti reported that the status of the Petroleum Fund reflects approximately a \$2,250,000 carry-over from fiscal year 2003. In addition, \$413,000 has been received in tank fees and approximately \$5,000,000 received in petroleum fees leaving a total revenue to-date of approximately \$7.6 million dollars. The expenditures to date are approximately \$3,500,000 of which \$3.2 million are reimbursement of claims. There are also encumbered liabilities of \$1.1 million creating a total expenditure and liability of \$4.5 million. When this is subtracted from the balance of \$7.5 million, there is approximately \$3.1 million actual cash available as of the reporting date. Mr. Cerruti reported that the department accrued the December figures, which are approximately 2 to 2 1/2 months late, totaling an additional \$850,000. This results in a total cash fund of

approximately \$4,000,000. Based on the \$4,000,000 that is now in the Fund and the six months of revenue anticipated between January and June of this year, it is estimated that the fiscal year 2004 will close with a Fund balance of approximately \$7,000,000. Mr. Cerruti stated that at this meeting staff is recommending that the Board authorize approximately \$1.5 million. Mr. Haycock requested to know what event would result having the seven million dollar Fund balance. Mr. Cerruti replied that if the amount in the Fund rises to \$7.5 million it will trigger the petroleum fee not being collected in the ensuing fiscal year.

DETERMINATION OF FUND COVERAGE

IV.A. Resolution to Reduce Petroleum Fund Coverage to the Former Peppermill Truck Stop, 1134 West Mesquite Blvd., Mesquite, Nevada-Facility ID #8-000478; Petroleum Fund Case ID #1994000067; Resolution 2004-01

Mr. Cerruti provided an overview of this resolution. He stated that this is a resolution to reduce Petroleum Fund coverage to the former Peppermill Truck Stop in Mesquite, Nevada. In December of 1992 and again in June of 2000, the Nevada Division of Environmental Protection granted full Petroleum Fund coverage to the Peppermill Casino at this location for diesel and gasoline releases which had occurred from underground storage tanks formerly located at the subject facility. Mr. Cerruti stated that it must be taken into consideration that there were originally six tanks at this site and they were removed in 1993. The coverage given to them was for three of those tanks in 1992. As is the case with all claimants to the Petroleum Fund, when coverage is granted a letter is issued to these claimants indicating that they do have coverage and in that letter there is a caveat relating to review based on new information relating to the release. The reason the Peppermill/Mesquite site is on the agenda today as a resolution for reduction is because it has come to the Fund's attention that there is additional information which should be brought to the Board's attention.

The additional information is that in July of 1999, seven years after the original coverage was granted, up to five feet of free diesel product was found on the groundwater beneath the facility. The tanks were gone at this time, so this was something that got missed initially. After detecting the free product, the consultant, in their August 24, 1999 site characterization report, recommended that mechanical free product recovery activities be implemented. On October 7, 1999, the Nevada Division of the Environmental Protection concurred with Kleinfelder (the environmental consultant for the Peppermill Casino) on their recommendation that required Peppermill to implement mechanical free product recovery as soon as possible.

Despite several written and verbal requests from NDEP over a four-year period, Peppermill did not implement mechanical free product recovery until June of 2003. The numerous written and verbal requests are chronicalized under the findings in the resolution. Code of Federal Regulations, 40 CFR 280.64 requires that owners and operators remove free product to the maximum extent practical, as determined by the implementing regulatory agency. Peppermill's failure to implement mechanical free product recovery until forty-seven months following discovery constitutes a violation of this regulation. Whereas the Peppermill has been found to be in full compliance with all the regulations at this time, the staff of the Petroleum Fund concluded that while the remediation of the dissolved phase of the free product had been ongoing from 1993 until present, the free product removal effort was abandoned until the year 2003, at which time it was taken up again vigorously. During the three and one-half years, which elapsed from the 1999 free product discovery up until the 2003 removal effort, the groundwater lowered significantly, to such an extent that some of the existing wells now lie above the water table and have lost their usefulness for remediation. Additionally, some minor horizontal migration of the free product plume, estimated to be 10 feet on a plume that is 150 feet long, has occurred. Also, the free product plume contains dissolved phase MTBE, which adds to the contamination of the aquifer.

During the last three and one-half years, NDEP requested that free product be addressed and concurred with the consultant's free product removal proposals. Staff concluded that, due to the delay in fully addressing the free product removal issue in a timely manner, the time to complete this remediation and the cost of the remediation will increase for this site. This case is a fixed deductible case. There was a \$30,000 dollar deductible - \$10,000 per each of the three tanks, assessed early in the project. This deductible has been met and to date, \$456,000 has been spent on the

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site. Of this approximate \$456,000, \$265,000 has been reimbursed since the discovery of free product in 1999. But since 1999, a very small portion estimated at \$13,000 has been spent only for the free product removal. This is less than 12% of the total spent for the case. Per Resolution 94-023, adopted by this Board in 1994, staff is recommending a 40% reduction in reimbursement for this site for not complying with 40 CFR 280.64 to be applied to the costs associated with the free product removal. Mr. Cerruti stated that this resolution charges staff to make this recommendation; however, the Board has the right to adjust or dismiss staff's recommendation. Upon conclusion, Mr. Cerruti requested questions from the Board.

Ms. Linda Bowman requested to know the name of the case officer for this site. Mr. Cerruti replied that Mr. Bob Stulac is the case officer. Ms. Bowman next requested to know how free product was discovered in 1999. Mr. Cerruti replied that it was his understanding that in 1999 they were achieving a level close to what the consultant felt was clean enough for closure, as far as the dissolved phase product was concerned. The case officer requested verification and requested that some wells be put in at that time. Upon putting in those wells, the free product evidenced itself. Those wells were put in the center of the UST excavation.

Mr. Biaggi requested to know what type of product was found. Mr. Cerruti replied that it contained diesel, but was classified as a mix. Mr. Haycock next requested to know if this would have been released in 1992. Mr. Cerruti replied that there was no evidence to indicate otherwise.

Ms. Bowman requested to know the last time there were active tanks at the site. Mr. Cerruti replied that the last tanks were removed in 1993 and that the site is currently an RV Park. Ms. Bowman requested to know if there was any question that the free product came from this property. Mr. Cerruti replied that there have been no challenges to that conclusion.

Mr. Biaggi requested confirmation that these are typical Southern Nevada soils which are very tight and that five feet of product is not indicative of what's in the formation. Mr. Cerruti confirmed this fact and went on to state that over the course of this twelve-year period that this site has been in the Fund, the water table has risen and fallen approximately 10 feet. He stated that there has been movement, creating rejuvenation of the smear zone, and some slight horizontal movement. Mr. Biaggi requested to know if this would explain why free product all of a sudden showed up again. Mr. Cerruti replied that there was a conclusion made by a case officer in 1999, but that case officer is no longer on staff.

Mr. Haycock requested to know if a representative for the claimant was in attendance. Ms. Keri Ruebelman, Environmental Division Manager for Kleinfelder, introduced herself and stated that she was Peppermill's consultant. Ms. Ruebelman stated that it is their opinion that the proposed 40% reduction is inappropriate and that this site has had a long history and they have been working actively with NDEP throughout the history of the site. Ms. Ruebelman stated that there were many discussions, faxes and other types of correspondence with the case manager in between the requests for action. Ms. Ruebelman stated that there was a point in the assessment where it was felt that Kleinfelder did not have the whole picture so there were some delays to collect additional information and perform some additional assessment.

Ms. Ruebelman stated that free product recovery was manually being performed in 1999 when there were large volumes. Ms. Ruebelman stated that, in hindsight with the information now known, some things could have been done more aggressively. She emphasized that, at no time, did NDEP not know what Peppermill was doing. She stated that Kleinfelder actively communicated with their project manager, who was fully aware of what was being done and what was not being done. Ms. Ruebelman stated that it is their opinion that they worked actively with the State. She stated that a review has been completed to ascertain whether or not this plume had been exacerbated by some of the delays. She stated that, in their opinion, it has not been exacerbated. She stated that there is very tight soil there and the product has been fairly stable.

Ms. Ruebelman reported that they met with NDEP in August 2003 to discuss this matter and to try and get things moving forward more aggressively. She stated that it was Kleinfelder's understanding that if the problem had not been exacerbated and if they moved at an aggressive pace, there would be no proposed reduction in coverage. Ms. Ruebelman stated that they were a little surprised by the proposed reduction because there was aggressive movement and installation of some recovery wells to capture more of the product plume.

Mr. Haycock requested to know if Kleinfelder was acting as Peppermill's advisor and if, at any time, did Peppermill take exception to their advice or consultation. Ms. Ruebelman replied that Peppermill did not take exception.

Mr. Haycock requested to know if an individual representing Peppermill was in attendance. Mr. Bill Presant, Esq, introduced himself and stated that his firm is the counsel for the Peppermill. Mr. Presant reviewed the unique circumstances of this resolution. He stated that they and their client must rely on the "experts". In this case, they have relied upon Kleinfelder and the State of Nevada. He stated that they were informed that both entities were working together throughout this process to solve the problem. He expressed frustration with this process explaining that it appears to have gone on much longer than desired. Mr. Presant stated that there has been an extraordinary amount of correspondence between the State and Kleinfelder demonstrating that they were working together to try and solve this problem. Mr. Presant stated that they are now informed that the plume has only migrated a minimal amount and that it has been their understanding from the correspondence and the record provided that there has been no inactivity.

Mr. Presant stated that in the beginning less expensive means were used to address the issue. As the issue became more acute, the State and Kleinfelder agreed upon more expensive means. He stated that currently they do not have a solution and are seeking a solution to be agreed upon between the State of Nevada and the consulting engineer. Mr. Presant submitted to the Board that the claimant here has done nothing to demonstrate inactivity and emphasized that his client has continued to rely on, and to urge Kleinfelder, with the State of Nevada's assistance, to solve this problem. He stated that it was not felt, based on the December 2003 report, that the problem has been significantly exacerbated. Mr. Presant submitted that it would be inappropriate to punish Peppermill due to the fact that the State has worked together with Peppermill's consulting engineer to try and solve this problem. He stated that the Peppermill is still waiting for the "experts" to solve the problem.

Mr. Biaggi commented that it appears that NDEP concurred with Kleinfelder's recommendation for free product removal in 1999, yet that didn't get put into place until 2003. He requested to know why. Mr. Cerruti stated that he did not have an answer to this question. Ms. Ruebelman responded stating that here were a series of investigations performed in between some of the earlier work. She reviewed the decision to obtain additional information to try and constrain the boundaries before spending money on product recovery and there were also some delays in completing the skimmer system set up. There was some concern that while this would take care of product in that immediate area, it may not solve the bigger issue. Ms. Ruebelman reported that there were some delays in obtaining competitive estimates, as three estimates are required. She gave a brief history of the communication surrounding this matter stating that the product plume was relatively stable. She reviewed possible reasons for the disconnection in the time frame, including possible misinterpretation by Kleinfelder of the sense of urgency.

Ms. Blystone requested to know if there was any record between either Kleinfelder or the State of Nevada relating to requests for action and time frames. Mr. Cerruti responded that neither a record of time frames nor a record of the letters was available. Mr. Jim Najima, Chief of the Bureau of Corrective Actions, stated that he reviewed the project file. He reported that there was a couple of items brought forward relating to free product recovery. He stated that there is information within the margins of the project file that was not on record. Mr. Najima stated that he reviewed the assorted management of the project, resulting in assorted management oversight from the regulatory agency. He stated that he noted when reviewing the file that there were indications that a free product bailing system was suggested, concurred with, and then while testing it, the free product recovery rate was not consistent. Therefore it was decided to look at the other issue within the site and go forward, knowing that the free product would be addressed later because of other items.

Mr. Najima stated that, because of the process, there was correspondence back and forth between the Peppermill, Kleinfelder and the State of Nevada. He reported that these items were noted in the project file; however, Mr. Cerruti was not aware of these items, because of the way they were recorded. Mr. Najima stated that he spoke with the project officers from the past and obtained their diary notes. He commented that it was kind of sketchy in trying to look at the project in its entirety.

Ms. Bowman requested to know if any enforcement actions were issued for lack of diligence in responding to NDEP orders. Mr. Najima responded that orders were given in the first phase letters sent out by NDEP. Many concurrence letters are based on the information supplied as pilot testing and various tests are performed and then follow-ups are established. There is documentation of concurrence that a process would be in place. Mr. Najima stated that based on the Board's recommendation, a process will be written in a letter directly to the claimant rather than by e-mail or verbally recorded statements so there is a clearer understanding of a claimant's responsibility.

Mr. Haycock commented that past experience with Kleinfelder seems to indicate that they are known to be a reliable consultant and that there is no reason to think they were trying to circumvent anything. Mr. Haycock commented further that the claimant apparently was responsive and cooperative throughout the process and from what he has read, although it appears a bit gray, the Peppermill was required to implement mechanical free product recovery as soon as possible. He commented that the term as soon as possible could mean a lot of different things. Mr. Haycock stated that the claimant has relied on expert opinion and consultation and they're expert consultant appears to have been in constant contact with the State and he did not think that anyone was acting out of line in this case. Mr. Haycock asked if there were any further comments on this issue.

Mr. Haycock requested to know if there was a motion to approve the staff's recommendation for a 40% reduction. There was no motion. Mr. Haycock announced that this case was finished due to a lack of a motion.

Mr. Biaggi commented that given the action of the Board, he wished to respond to a statement made earlier by Mr. Presant relating to the implication that the claimant has no responsibility in the oversight. Mr. Biaggi further stated that, in his opinion, the claimant **does** have a responsibility to oversee the activities of his environmental consultant, which was decided by the Nevada Legislature in modifying the way the owner and operator is involved with the Petroleum Fund. Mr. Biaggi gave a brief history of the legislation relating to the Petroleum Fund co-pay.

Mr. Joanne Blystone requested to know if an action plan or other written item relating to time frames was required from the CEMs which could be checked-off relating to what action has been completed. Mr. Najima replied that, in the near future, a guidance document would be provided. He stated that this document should be available the latter part of this year.

Mr. Presant stated that he acknowledged Mr. Biaggi's statement about Peppermill's responsibility and that the Peppermill takes that responsibility very seriously. Mr. Presant introduced two Peppermill representatives in attendance, Diane Vesse and Carole Hyde, who have been actively involved in these communications with Kleinfelder and have watched this process. He again expressed the frustration experienced with the process and requested the Board direct staff to work with the Peppermill consultant to find an objective standard for completion of the project.

Mr. Bob Stulac introduced himself and stated that he has been the case officer for this project since last summer. He reported that an action plan is now in place. He reported that it has been fully implemented and Kleinfelder has been excellent to work with. He reported that Mr. David Rickers, in attendance, has provided exceptional communications and efforts relating to this matter. Mr. Stulac stated that he is optimistic that this free product will be in control within a few months and post closure monitoring will most likely be done by December 2004.

Ms. Blystone requested to know if there is any delay in process of having case managers come from the Carson City area to Southern Nevada. Mr. Stulac stated that, in his opinion, there are no delays due to distances.

IV.B. Resolution to Grant Petroleum Fund Coverage with a 30% Reduction to River City Petroleum, CFN-Fredrickson Tank Lines Facility, 4915 Sloan Road, Las Vegas, Nevada, Facility ID #8-001762; Petroleum Fund Case ID #2004000024, Resolution 2004-02

Mr. Haycock disclosed that he had a relationship with this company, in that their property is adjacent to property owned by him. He stated that there is also a relationship of customer, supplier and competitor. Mr. Haycock announced that due to this relationship, he was recusing himself from review of this resolution. At this point, Ms. Bowman, as Vice-Chairperson, conducted this section of the meeting.

Mr. Hayden Bridwell reported that the subject facility is CFN Frederickson's Tank Lines located at 4915 Sloane Road in Las Vegas and is owned by River City Petroleum. The facility dispenses fuel from one 12,000-gallon diesel underground storage tank system and one split 12,000-gallon gasoline UST system. On October 9, 2003 petroleum release from the diesel UST system was discovered. The release emanated from faulty product piping and dispenser shear valve connections on one of the diesel product dispensers associated with the diesel UST. According to the certified tank handler, who prepared the release, the release occurred from both the connection above the shear valve leading up into the dispenser and below the shear valve where the product piping exits the subsurface and comes into the shear valve. The certified tank handler who repaired this indicated that, in his professional opinion, 30% of the total release emanated from the faulty connection located above the shear valve. Mr. Bridwell read the definition of an UST, as defined in the Code of Federal Regulations 40 CFR 280.12 to the Board. He stated that pursuant to this regulation, NDEP has determined that the portion of the petroleum tank system located above the product shear valve, which would include things such as product piping within the dispenser, the dispenser itself, filters, the fuel hose, the nozzle, are not part of the UST system. He stated that releases that emanate from equipment above the dispenser shear valve are not identified as being part of a regulated UST system and are not qualified for reimbursement from the Petroleum Fund.

Mr. Bridwell reported that on December 8, 2003, a Fund coverage application was received from the River City Petroleum consultant, Broadbent and Associates. Because this consulting firm is aware of the ramifications of 40 CFR 280.12 indicating that the part of the UST located above the shear valve is not part of the UST system, they requested a 30% reduction coverage for this clean-up. NDEP concurs with this request and requests that the Board grant Fund coverage with a 30% reduction.

Ms. Bowman requested to know if this was a faulty installation or a product liability defective product. Mr. Bridwell replied that the UST system had been in use for some time and for whatever reason, the connection, where the product piping fits in to the shear valve both on top and on bottom, failed. He stated that this was an accidental release. Mr. Cerruti clarified the purpose of the shear valve. Ms. Bowman next requested to know if the valve had been replaced or worked on. Mr. Bridwell replied that he had not been provided with any information, which would support this assumption.

Ms. Bowman requested to know if a representative from Fredrickson Tank Lines was in attendance. Mr. Kirk Stowers, Broadbent and Associates, introduced himself stating that his firm is the consultant for River City Petroleum. He announced that they recommended the 30% reduction and that there were no issues with the recommendation. He added that the shear valve was repaired shortly after discovery and the system is back in operation. Ms. Bowman requested to know if this was a result of faulty installation or a defective product. Mr. Stowers replied that it was his understanding that shear valve simply failed and the reason was not known.

Joanne Blystone motioned for recommendation of adoption of Resolution Number 2004-02. Mike Miller seconded the Motion. Motion carried unanimously.

At this point in the meeting, Ms. Bowman turned conduction of the meeting back over to Mr. John Haycock.

Mr. Cerruti requested that, in light of this Board's decision, the amount recommended for item number 24, Peppermill, under Old Cases, be changed. He stated that as presented the recommendation was for \$78,000, which was based on the 40% recommended reductions. He suggested that this amount be changed to \$87,134.10. He stated that, by changing this amount, it would place that item into consent status.

Joanne Blystone moved for an adoption of all consent items including the change that Mr. Cerruti just made to Item Number 24.

Board member Bowman stated that she would abstain on any of the items in the consent motion for Allied Washoe as she represented this company. She also disclosed that she might be representing Al Park Petroleum in a matter unrelated to the Fund. Ms. Bowman stated that she did not believe that her representation of them would affect her vote. She also abstained from Item Number 23, the Avis Rent A Car system, in Las Vegas due to a conflict of interest.

Allen Biaggi seconded the Motion.

Mr. Haycock requested that the record indicate that he would abstain from voting on the Above Ground Storage numbers 1 and 2. He requested to know if a separate vote should be taken. Mr. Frey replied that the abstention had been noted and a separate vote on these items was not required.

Motion carried unanimously.

Mr. Cerruti reported that on the first two non-consent items, Case #99-242 the S&S Mini Mart in Dayton Nevada was recently sold to a partnership represented by a Mr. Singh. Because the claims had been coming in for remediation ongoing on that site, both before and after that sale, the reimbursement recommendation has been split appropriately to the two responsible parties: Mr. Jeffrey Benum and Mr. Singh, the new owner.

Mr. Cerruti gave a brief overview of item number three. He stated that at the December 11, 2003 Board meeting, Patrick Taylor was rewarded a percentage reimbursement of eligible costs associated with the Cave Rock Country Store and staff of the petroleum fund was directed to review the settlement agreement and compute the percentage. Upon completion of the review, it was determined that the percentage is 18.82% reimbursement and authorization, which had been previously signed by the Board, has been adjusted to reflect that figure. This is the percentage which that case will receive. Mr. Cerruti stated that there is no further action items required for the three non-consent items.

Joanne Blystone moved for approval for the non-consent items one through three. Mike Miller seconded the motion.

Discussion followed regarding Item Number three.

Kevin Mirch, an attorney from Reno, introduced himself and stated that he was in attendance representing Mr. Patrick Taylor, regarding non-consent item number three. Mr. Mirch stated that he was recently retained to review the percentage and requested that the matter be stayed in order that he have adequate time to review the matter.

Ms. Bowman requested to know if the entity would receive some funds if the item were approved today. Mr. Cerruti confirmed that they would receive \$29,651.81, based on the requested claim of approximately \$166,000.

A short discussion followed regarding possible amendment of the motion.

Joanne Blystone amended the Motion to approve non-consent items number one and two. The amended Motion was seconded. Motion carried unanimously.

EXECUTIVE SUMMARY REPORT

Mr. Cerruti reported that, for fiscal year 2004, NDEP has received 34 new cases for evaluation of coverage. Since inception of the program, 1,200 cases have been evaluated. There are currently 217 active remediation sites. A total of 824 cases have been closed. A total of 94 cases have been denied coverage and 41 cases have expired due to the fact that within 12 months of the date of discharge discovery, they failed to file a claim. A total of 23 cases are currently in pending status either awaiting submittal of additional information or awaiting staff evaluation of coverage.

Mr. Cerruti gave a brief explanation of the current 217 active remediation cases. He stated that at the December 11, 2003 Board meeting he reported there were 321 active cases. Since that date, a review of all active cases for activity was completed. It was found that many of the cases had had no activity in the last 18 months. The majority of these cases were heating oil cases that had been closed. Mr. Cerruti stated that out of the 100 cases removed, a very small percentage, maybe 5 or 6 cases would evidence themselves as active cases. At the same time, there are cases that haven't had any activity in 12 months that will evidence themselves as non-active cases. He stated that after this adjustment period, it is estimated that the number of active cases will stabilize to around 220 cases.

Mr. Cerruti reported that at the December 11, 2003 meeting, one of the consultants had requested staff to give a report on establishing an equipment storage facility in the Las Vegas area. He stated that Mr. Craig Herzberg, of Evcon Recycling, was contacted to visit and review our remediation storage facility in Northern Nevada. Mr. Herzberg visited the yard and had discussions with the owner, Mr. Ken Kramer to see how it operates, how the yard functions etc. Mr. Herzberg is still expressing an interest but has not allocated any space in his Las Vegas facility and stated he would contact NDEP when he was ready to proceed.

Mr. Cerruti reviewed the new software computer tracking system for the claims. He announced that it is more accurate and precise than the last system, which was 14 years old. Mr. Cerruti reported that the software project is approximately 98% complete. He stated that there is little impact to the community, except for the change in the case numbers, which is now a 10-digit instead of 7-digit number. Ms. Bowman requested to know if the software has the ability to put the legal owner, the responsible party, plus the site name. Mr. Cerruti explained further how the program works.

Mr. Cerruti provided in the Executive Summary the breakdown of the tanks and facilities enrolled in the Fund is now included in the Board packet as was requested by Ms. Bowman at the previous Board meeting.

Mr. Biaggi requested to know if the number of the claims made to the Fund and the percentage disallowed could also be provided. Mr. Cerruti replied that \$125,000,000 has been requested and \$103,500,000 has been paid out.

PUBLIC FORUM

There were no comments from the Public.

CONFIRMATION OF NEXT BOARD MEETING

It was announced that the next Board meeting would be held on June 10, 2004. A short discussion followed, as there were scheduling conflicts with some Board members. It was then decided that the next Board meeting would be held on June 8, 2004.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:09 a.m.